

today to discuss an amendment to further support investment and job creation in U.S. companies.

In particular, my amendment would bolster our domestic manufacturing industry, which has historically been the engine of growth for the American economy. The manufacturing economy has been especially important in the industrial Northeast, including my State of Rhode Island. From the Old Slater Mill in Pawtucket—one of the first water-powered textile mills in the nation—to modern submarine production at Quonset Point, the manufacturing sector has always been central to our economy.

Sadly, as American companies have faced rising production costs and increased—and often unfair—competition from foreign firms, U.S. production has plummeted. According to the Bureau of Labor Statistics, the number of manufacturing jobs declined by almost a third over the past decade from 17.2 million in 2000 to 11.7 million in 2010. This decline has been felt most sharply in old manufacturing centers like Rhode Island. In Rhode Island, the loss of manufacturing jobs over the past decade has topped 44 percent. The decline of the manufacturing sector is a primary reason why Rhode Island has had greater difficulty than most states in recovering from the recent recession.

Over and over, I have travelled around Rhode Island to meet with local manufacturers, listening to their frustrations and discussing ideas to help their businesses grow. During these visits I have heard one theme over and over again: unfair foreign competition is killing domestic industries. One Pawtucket manufacturer told me that they recently lost eight percent of their business to a Chinese competitor. It is clear to me that if we want to keep manufacturing jobs in Rhode Island, we need to level the playing field with foreign competitors.

My amendment would remove one incentive to move jobs offshore and help to make competition fairer for companies struggling to keep their factory doors open here in the United States. Based on the Offshoring Prevention Act, cosponsored by Senators LEAHY, SANDERS, BOXER, DURBIN, BROWN of Ohio, HARKIN, JOHNSON, and LEVIN, my amendment would end a costly tax incentive that rewards companies for shipping jobs overseas. Under current law, an American company that manufactures goods in Rhode Island or in the Presiding Officer's State must pay Federal income taxes on profits in the year that the profits are earned. But if that same company moves its factory to another country, however, it is permitted to defer the payment of income taxes, and declare them in a year that is more advantageous—for example, one in which the company has offsetting losses.

It makes no sense that our Tax Code allows companies to delay paying income taxes on profits made through

overseas subsidiaries, and my bill will put a stop to this practice for profits earned on manufactured goods exported to the United States. To put it simply, we should not reward companies for eliminating American jobs.

In addition to ending an incentive to ship jobs overseas, my amendment would reduce the Federal deficit by \$19.5 billion over the next decade. At a time when Republicans are promoting painful cuts to popular Federal programs to save similar amounts, these are savings we cannot afford to pass up. If we are going to be serious and fair about deficit reduction, we need to look at these corporate loopholes and giveaways, not just at cuts to Head Start, NPR, and Planned Parenthood.

I hope that my colleagues will show their support for American jobs and for deficit reduction by supporting my amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. REID. Madam President, I ask unanimous consent that the Senate stand in recess until 6 p.m. tonight for the purpose of the Senators-only briefing on Libya.

There being no objection, the Senate, at 4:57 p.m., recessed until 6 p.m. and reassembled when called to order by the Presiding Officer (Mr. COONS).

The PRESIDING OFFICER. The Senator from New Hampshire.

MORNING BUSINESS

Mrs. SHAHEEN. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

Mrs. SHAHEEN. Mr. President, if I could begin in the spirit of morning business, I am here to talk about the importance of passing the reauthorization of the Small Business Innovation Research Program. I think it is important because our future economic prosperity depends on whether this country can continue to be a leader in science and innovation. We can't compete with India and China for those low-wage manufacturing jobs. That is not the fu-

ture of America. Our future is to be the global leader in science and technology. America makes the best, most innovative products and services, and that ingenuity and excellence is our chief economic strength as a nation.

As a former small business owner, I know it is business and not government that creates jobs, but I also know government has a critical role to play in fostering a positive business climate. I believe there are a few things we need to do to unleash the innovative spirit that is so alive and well throughout this country, and particularly in my home State of New Hampshire.

To maintain the creative dominance that has allowed us to lead the world in innovation, we do need to enact a long-term reauthorization of the Small Business Innovation Research Program, or the SBIR Program.

SBIR is not just a typical grant program. Under the SBIR Program a small business is able to compete for research that Federal agencies need to accomplish their missions—agencies such as the Department of Defense. Small businesses employ about one-third of America's scientists and engineers and produce more patents than large businesses and universities. Yet small business receives only about 4 percent of Federal research and development dollars. SBIR ensures that small business gets a tiny fraction of existing Federal research dollars.

In the last few months, as we have been talking about the SBIR Program in the Small Business and Entrepreneurship Committee on which I serve, I have had the chance to visit a number of New Hampshire companies that are doing cutting-edge research and are growing their businesses because of the SBIR Program. This research has allowed them to develop new products and customers and to hire new workers. I wish to talk specifically about one of those companies because they have such a great story. It is a company called Airex, and it is in Somersworth, NH. Their story shows just how the SBIR Program encourages innovation and creates jobs.

When I visited Airex, I had a chance to see some of the impressive technologies the company has developed. Airex specializes in electromagnetic motors and components. As they explained to me, their motors don't go round and round, they go back and forth. Its employees design and produce everything from motors used to make Apple's iPad, to gyroscopic coils that are used to stabilize the artillery system on Abrams tanks. So they produce a wide divergence of products.

In the past decade Airex has more than doubled its revenues and its workforce largely because of the products it developed with the support of the SBIR Program. Jim Sedgewick, who is the President of Airex, told me SBIR was critically important for the development of the products that enabled the company to add several good-paying jobs in New Hampshire.